

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7187

BILL NUMBER: SB 385

NOTE PREPARED: Feb 26, 2013

BILL AMENDED: Feb 11, 2013

SUBJECT: Regional Sewage Districts.

FIRST AUTHOR: Sen. Charbonneau

FIRST SPONSOR: Rep. Wolkins

BILL STATUS: As Passed Senate

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill provides that a utility that:

- (1) either provides or receives wholesale sewage service; and
- (2) negotiates to renew or enter into a new contract for wholesale sewage service on expiration of such a contract;

may file a petition with the Utility Regulatory Commission or a court to resolve a dispute, but not both.

It deposits certain fees paid by municipal utilities in the Public Utility Fund. (Under current law, the fees are deposited in the State Treasury.)

The bill provides that a contract for the construction of a municipal sewage works may not require certain landowners to waive the right to remonstrate against annexation by the municipality.

The bill makes conforming amendments.

Effective Date: July 1, 2013.

Explanation of State Expenditures: (Revised) The Utility Regulatory Commission (IURC) or a court may experience increased administrative costs to review rates and charges for wholesale sewage services. The amount of the increase is indeterminate, but will be based on the number of cases brought concerning wholesale rates.

The IURC is authorized under existing law to offset any expenses by charging a municipal utility for the

expenses of an investigation.

Explanation of State Revenues: (Revised) *Commission Public Utility Fund:* Under the bill, expense reimbursement paid by municipal utilities to the IURC would be deposited into the Commission Public Utility Fund rather than the state General Fund.

The amount that would be placed in the fund that pays for IURC operations is indeterminate based on prior year deposits. The following table indicates the amounts that have been received by the IURC. [Note: The amounts may increase under the bill to include expenses for sewage rate cases which currently are not included in the types of cases the IURC may review.]

FY	Expense Reimbursement
2010	\$147,171
2011	215,015
2012	436,700

(Revised) *Circuit or Superior Courts:* If the municipal utility files a petition for review in a circuit or superior court and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

In addition, some or all of the judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use to assist with pro bono legal services programs in Indiana. And proceeds from the automated record keeping fee (\$5) are deposited into the state User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures:

Explanation of Local Revenues: *Circuit or Superior Courts:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay the following fees that are deposited in local funds.

The document storage fee (\$2) is deposited into the clerk record perpetuation fund.

The following fees are deposited into the general fund of the county in which the court is located:

- Document fees (\$1 per document) are charged for preparing transcripts or copies of record or certificate under seal.
- Service fee (\$10) collected from the filing party for each defendant beyond the first cited in the lawsuit.

State Agencies Affected: IURC; circuit or superior courts.

Local Agencies Affected: Wastewater utilities; trial courts.

Information Sources: State Auditor's Data.

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